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SUBJECT: France's Presidential Candidates' Views on the Digital Economy

Not for Internet distribution

Summary  
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¶1. (SBU) The emergence of a new generation of candidates and voters is helping define France's response to Internet growth and regulation, electronic commerce, and new technologies. For the first time in a presidential campaign, this is an issue of political debate. The Forum of Internet Rights, a private/public body that advises the GOF on internet policy, has held a series of forums in which leading political parties present proposals on internet policy. All of the candidates are keen to encourage the extension through public and private partnerships of high-speed internet cable networks to ensure greater access and business growth, particularly among small and medium enterprises. At the same time, they emphasize different approaches: the UMP Center-Right Party proposes the creation of a Junior Minister in charge of new technologies, while the Socialist and Center UDF favor a French style Small Business Act to spur the digital economy. The Forum plans to produce a booklet summarizing these positions in advance of the first round of voting April 22. End of Summary.

The Socialist Party: Promoting equality and SMEs  
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¶2. (SBU) Vincent Feltesse, who coordinates internet policy for the Socialist Party, launched on March 27 the Forum series on behalf of Segolene Royal. He highlighted Royal's intention to reduce the digital divide in France, citing the Internet as a key tool in creating equality throughout France. Pointing to a recent report by former Socialist Prime Minister Michel Rocard, Feltesse called for a French "Small Business Act" in favor of small and medium-sized companies in the digital environment.

¶3. (SBU) While the Socialists support strengthening copyright regulation, they are very unhappy with the recently implemented Digital Copyright Law, Feltesse noted. In an interview to online journal "PCinpat" on April 11, the Socialist Presidential contender pledged to review the law following extensive consultations with public and private players. One outcome of this review, according to Feltesse, could lead to an administrative reform within the French government. (Note: While Feltesse did not elaborate, GOF contacts have told us that the Socialist Party would be interested in merging the Conseil Superieur de l'Audovisuel (CSA) and ARCEP, the regulatory bodies that respectively oversee development of

audiovisual content and the infrastructure delivering content to the public. End note.)

14. (SBU) Feltesse explained his party's view that France can benefit from global engagement in free software development or shareware. The Socialist Party recognizes the value of this collective effort and is willing to promote and finds means of structuring free software development. He also highlighted internet security as an issue in the upcoming election. He said that internet business would increase only if potential consumers were confident of the security of their information.

The Center-Right UMP: a minister for new technologies

15. (SBU) On April 3, Minister for Small and Medium-sized Companies Renaud Dutreil unveiled the UMP (Union for a Popular Movement) ruling party's platform. Dutreil, who is undoubtedly the GOF's most technology-savvy minister, stressed the need for very high-speed internet to cover 80 percent of French territory through infrastructure built through private/public partnerships. He called for a simplification of all existing legislation and administrative bodies in the sector (including the new authority on interoperability) and announced center-right candidate Nicholas Sarkozy's intention to establish a Junior Minister for New Technologies, probably under the Ministry of Economy, Finance, and Industry. (Technology issues now fall under the under the Junior Minister of Industry, in the same ministry.)

16. (SBU) Dutreil stressed that it was urgent to spur the digital economy over the next five years. Among other measures, he proposed that small and medium-sized businesses and medical professions be properly trained to use the internet to encourage growth and make France more competitive. He further noted that quality of service would have to be improved as there are currently some 20,000 pending complaints before the courts from frustrated triple play

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subscribers. Finally, he advocated a lighter regulatory touch regarding content.

Centrist UDF: E-tool to educate and promote SMEs

17. (SBU) Jean Dionis du Sejour, a UDF (Union for French Democracy) member of parliament outlined on April 4 the key themes of Francois Bayrou's thinking on technology and communication issues. According to Du Sejour, the UDF would introduce a "university" to educate members of Parliament on key internet and communications issues so that they can better legislate on such topics. Du Sejour noted that the debate in parliament on the controversial French Copyright bill (mandating interoperability of systems) was a "disaster" which underscored the lack of any real knowledge among French elected leaders on the complex issues associated with the internet. Du Sejour noted that while Bayrou's personal inclination is to favor "freeware" and open access to information on the net, he is increasingly aware of the need to protect IPR and to ensure appropriate protection of copyrights and payment for the rights of artists. Du Sejour stressed that the UDF opposes the use of "universal licenses."

18. (SBU) Du Sejour said that the UDF would support the idea of a "small business act" to assist small and medium enterprises in improving access to, and usage of, the internet. He also noted that France needs more fiber optic linkages to assure the fullest use of the internet by government, enterprises, schools and the general public. The UDF would also aim to ensure that every pupil in France had a lap top. Du Sejour commented that the French government could not, and should not, pay for all of this. Private sector partners are needed, with the State playing largely the role of facilitator and regulator.

19. (SBU) Du Sejour stressed that the internet can play an important role in "democratizing" France and reducing the social divides that exist today. However, he noted that to do so, the gap between those who have access to the internet and fully understand its benefits and potential, and those who remain unconnected, must be overcome.

## Comment

¶10. (SBU) Following the 2005 French referendum on the European Constitution the Internet has played an increasingly important political role in France. Political parties have adapted quickly to e-campaigning, but are also focusing on information and communication policy issues that previously were not part of the mainstream political debate. The passage of the Digital Copyright law, and recent creation of an implementing Regulatory Authority, will affect over half of the French population who download or otherwise copy material from the internet and will give added stimulus to public discussion of internet-related issues.

Stapleton